



State of New Mexico

Office of the Governor

Bill Richardson
Governor

EXECUTIVE ORDER 2007-049

STATE OF NEW MEXICO CONTRACTOR HEALTH COVERAGE REQUIREMENT

WHEREAS, the State of New Mexico is committed to taking immediate steps and developing longer term and more comprehensive solutions to cover the nearly 400,000 New Mexicans who currently do not have health coverage because New Mexicans without health coverage are at tremendous health risk and the effect of uncompensated care on New Mexico's health care system is profound;

WHEREAS, the State of New Mexico's initiatives to close the health coverage gap now include more options for the small employer with 50 or fewer employees through State publicly financed programs;

WHEREAS, the General Services and Human Services Departments have worked together to develop a plan to require certain Contractors doing business with the State to offer comprehensive health coverage to their New Mexico employees;

WHEREAS, for the purpose of this Executive Order, a "Contractor" shall mean an employer contracting with the State of New Mexico, which employer has, had, or anticipates having six (6) or more employees who worked, are working, or are expected to work an average of at least twenty hours per week over a six-month period, with said six month period being at any time during the year prior to seeking the contract(s) with the State, or any time during the term of the contract(s) with the State;

WHEREAS, a July 2007 Vendor Survey Report (located at the General Services Department website) found that 69% of the surveyed State vendors offer some sort of health coverage to their employees and that organizations doing business with the State are already more likely to offer health coverage to their employees when compared to other organizations;

WHEREAS, the report also found that there is a great opportunity to increase enrollment rates within entities that contract with the State;

WHEREAS, the report noted that small employers make up a large proportion of the companies doing business with the State; therefore, it is essential that any new health coverage requirement take into account its potential impact on small employers; and

WHEREAS, the State of New Mexico is committed to closing the health coverage gap and it is essential for the State to serve as a model for health coverage reform.

NOW, THEREFORE, I, Bill Richardson, Governor of the State of New Mexico, declare that the State adopt an incremental plan for certain Contractors with the State of New Mexico Executive Branch Agencies to offer health coverage to their New Mexico employees.

IT IS THEREFORE ORDERED that all Executive Branch State Agencies implement the following actions to assist the State in expanding health coverage to more New Mexicans:

1. Effective as of July 1, 2008, this Order requires that an Executive Branch Agency with a State contract solicited and awarded after January 1, 2008 with an expected annual value of \$1 million and over shall require the contractor to offer health coverage to their New Mexico employees.

2. Effective as of July 1, 2009, this Order requires that an Executive Branch Agency with a State contract solicited and awarded after January 1, 2008 with an expected annual value of \$500,000 and over shall require the contractor to offer health coverage to their New Mexico employees.

3. Effective as of July 1, 2010, this Order requires an Executive Branch Agency with a State contract solicited and awarded after January 1, 2008 with an expected annual value of \$250,000 and over shall require the contractor to offer health coverage to their New Mexico employees.

4. The phased-in requirement to offer health coverage to New Mexico employees in paragraphs 1-3 above shall apply to contractors which have multiple contracts with Executive Branch Agencies after January 1, 2008, where the aggregate value of the contracts meets or exceeds the values set forth in paragraphs 1-3 above.

5. **Mandatory Language in Contract Solicitations:** By January 1, 2008, all State Executive Branch Agency solicitations (Request for Proposals – RFP, Invitation to Bid – ITB) shall include language requiring prospective contractors to agree to the foregoing phasing-in contract requirements related to health coverage for New Mexico employees to be considered for a contract award. In this regard, the solicitation shall provide the following requirements:

a. The Contractor shall offer health coverage to their New Mexico employees per the dates and contract amounts set forth above.

b. The Contractor shall be required to certify that such New Mexico employees have been offered health coverage through an employer selected benefit plan, which could include State publicly financed public health coverage programs, on or after the dates set forth above before work on a contract begins or is allowed to continue.

c. All State solicitations shall provide information on the availability of State publicly financed health coverage programs as an option to employers.

6. By December 1, 2007, the General Services Department (GSD), Department of Finance and Administration (DFA) and Department of Information Technology (DOIT) shall develop definitions and guidelines to implement the requirements of this Executive Order for the purpose of providing guidance to State Agencies and prospective contractors. The definitions shall include, but not be limited to, the terms "contractor," "New Mexico employee," and "offer."

IT IS FURTHER ORDERED that all State agencies shall work cooperatively with one another to achieve the goals outlined in this Executive Order.

THIS ORDER supersedes any other previous orders, proclamations, or directives in conflict. This Executive Order shall take effect immediately and shall remain in effect until such time as the Governor rescinds it.

ATTEST:


MARY HERRERA
SECRETARY OF STATE

DONE AT THE EXECUTIVE OFFICE THIS
25TH DAY OF OCTOBER, 2007

WITNESS MY HAND AND THE GREAT SEAL
OF THE STATE OF NEW MEXICO


BILL RICHARDSON
GOVERNOR OF NEW MEXICO

